

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

Industrial Promotion – Extension of certain incentives under Industrial Investment Promotion Policy (IIPP) 2010-15 to M/s. Redson Seamless Tubes Private Limited, Baswapur (V), Nizamabad district for their proposed Seamless Tube Manufacturing Plant – Orders- Issued.

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**INDUSTRIES & COMMERCE (IP) DEPARTMENT**

**G.O.Ms.No. 117**

**Dated: 19-10-2013.**

Read the following:-

1. From the Director, M/s. Redson Seamless Tubes Private Limited, Letter No. RSTP/Commissioner/12-13, dated 20.06.2012.
2. The State Investment Promotion Committee Meeting held on 03.01.2013
3. The State Investment Promotion Board Meeting held on 26.04.2013

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**ORDER:-**

In the reference 1st read above, the Director, M/s. Redson Seamless Tubes Private Limited, has informed that they propose to setup a Seamless Tube Manufacturing Plant, with a capacity of 2,50,000 Tonnes per annum at Baswapur (V), Nizamabad district with an investment of Rs.452.66 Crore with an employment potential to 600 persons.

2. M/s. Redson Seamless Tubes Private Limited, Baswapur (V), Nizamabad district has requested to Government for the following incentives/benefits:

- (a) To provide uninterrupted Power supply without power cut for next 10 years.
- (b) Fixed power reimbursement @ 1/- per unit for 10 years from DCP.
- (c) Waiver of electricity duty for 10 years
- (d) Reimbursement of 100% input tax and VAT/CST / State Goods and Services Tax for 100% capital investment
- (e) Reimbursement of 5% interest subsidy as proposed by Steel Ministry.
- (f) Capital investment subsidy to the extent of 5% of the project cost without ceiling.
- (g) 100 % Reimbursement of stamp duty paid on hypothecation of land, building & Machinery to financial institution and paid on purchase of land.
- (h) Infrastructure Support:
  - a. Power Line up to Project site (18MW)
  - b. Water to project site by contribution 50% of the cost of infrastructure from IIDF without any ceiling.
- (i) Permission to draw ground water from new bore wells in the company site/ from nearby sources.
- (j) Provide Single Window registration for all necessary clearances and approvals
- (k) Coal requirement for producer gas plant.

3. In the reference 2<sup>nd</sup> read above, State Investment Promotion Committee (SIPC) have discussed the proposal of M/s. Redson Seamless Tubes Private Limited, Baswapur (V), Nizamabad district in detail and recommended the following incentives:

- (a) 50% VAT & CST reimbursement for a period of 5 years from the date of commencement of commercial production.
- (b) All other benefits as per IIPP 2010-15.

4. In the reference 3<sup>rd</sup> read above, State Investment Promotion Board (SIPB) has reviewed the facts of proposal of M/s. Redson Seamless Tubes Private Limited, Baswapur (V), Nizamabad district in detail and approved the recommendation of State Investment Promotion Committee (SIPC) to give an incentive of 50% VAT & CST reimbursement for a period of 5 years from the date of commercial production and all other benefits as per IIPP 2010-15.

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5. Government after careful examination of the proposal and the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. Redson Seamless Tubes Private Limited, Baswapur (V), Nizamabad district for their proposed Seamless Tube Manufacturing Plant under Industrial Investment Promotion Policy 2010-2015.

- (a) 50% VAT & CST reimbursement for a period of 5 years from the date of commercial production.
- (b) All other incentives as per IIPP 2010-15 policy, which include :
  - (i) 100% reimbursement of Stamp duty and transfer duty paid by the industry on purchase of land meant for industrial use and for lease of land/shed/buildings and also mortgages and hypothecations.
  - (ii) Fixed power cost reimbursement @ Rs.0.75 per unit (upper ceiling) on the rates (2010-11) for 5 years from the date of commencement of commercial production. In case, decrease in Power Tariff, the reimbursement will be reduced proportionately.
  - (iii) 25% subsidy on specific cleaner production measures limited to Rs.5.00 Lakhs.
  - (iv) 50% Reimbursement of cost involved in skill up gradation and training the local manpower limited to Rs.2000 per person.
  - (v) Infrastructure like roads, power and water will be provided at door step of the industry for standalone units by contributing 50% of the cost of infrastructure from IIDF with a ceiling of Rs.1.00 Crore, subject to (a) the location should be beyond 10 kms from the existing Industrial Estates/IDA's having vacant land/shed for allotment and (b) cost of the infrastructure limited to 15% of the eligible fixed capital investment made in the industry.

6. The Industry shall provide at least 80% of employment to the candidates belonging to Andhra Pradesh State for becoming eligible to the above incentives.

7. The Commissioner of Industries, Hyderabad shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to Government.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**K.PRADEEP CHANDRA,  
PRINCIPAL SECRETARY TO GOVERNMENT AND  
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.

M/s Redson Seamless Tubes Pvt. Ltd., through the Commissioner of Industries, AP, Hyderabad.

Copy to:

The Revenue (CT) Department.

The Revenue (Registration) Department.

The Energy Department.

The Irrigation (Reforms) Dept.

The Law (J) Department.

The Accountant General, Andhra Pradesh, Hyderabad

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO., Hyderabad

The Managing Director, APNPDCL, Warangal

The Vice Chairman & Managing Director, APIIC, Hyderabad.

The District Collector, Nizamabad District.

The General Manager, District Industries Centre, Nizamabad

P.S. to Secretary to Hon'ble Chief Minister

P.S. to Hon'ble Minister (Major Industries)

P.S. to Chief Secretary to Government

P.S. to Principal Secretary to Government & CIP, Industries & Commerce Dept.

SC/SF

//Forwarded::By Order//

**SECTION OFFICER**

